



Shell Exploration & Production Company



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RULES PROCESSING TEAM

VIA AIRMAIL

OCT 18 2000

October 18, 2000

Department of the Interior
Minerals Management Service (MS 4024)
381 Elden Street
Herndon, Virginia 20170-4817

Attention: Rules Processing Team

Subject: COMMENTS REGARDING MMS PROPOSED RULE
SUBPART "D" OIL AND GAS DRILLING REQUIREMENTS FOR OCS
OPERATIONS (65FR38453)

Shell Exploration and Production Company (SEPCo) appreciates the opportunity to submit comments on the Minerals Management Service (MMS) proposed rule on the restructuring of existing and addition of new requirements regarding Oil and Gas Drilling Operations in the Outer Continental Shelf (Subpart "D"). SEPCo is a leading producer of oil and gas and a large leaseholder in the Gulf of Mexico with an active drilling program both on the Shelf and in the ultra-deep waters. As such, we are very interested in providing comments on the proposed regulations.

SEPCo has also participated in and hereby adopts the comments prepared and submitted by the Offshore Operators Committee (OOC). In addition to the OOC comments, we submit the following comments on the key issues of the proposed re-write of Subpart "D" which should be considered when revising the proposed regulations:

250.107 - Use of the Best Available and Safest Technology

Shell supports MMS' mandate of automated rig floor systems to reduce personnel exposure. We define rig floor automation as those systems designed to make/break, spin and turn pipe (including power slips). Systems like iron roughnecks, hawk jaws, spinners and power slips are absolutely essential to rig floor safety and should be mandatory as long as the equipment selected matches the rig floor size and configuration. We also include top drives herein and believe they greatly enhance rig floor and derrick safety. The MMS should be encouraged to make the requirements flexible and require the practical application of existing technology. Our industry has ample experience with these type systems and the reduction in personnel injury exposure far outweighs the increased, short duration change management problem.

SEPCo opposes any mandate to install pipe handling and racking systems on existing rigs. Too little data exists to support the notion that such systems measurably improve personnel safety. At present, such modifications to use these systems should be voluntary and cautiously applied on existing rigs. Operators should continue to influence the contractors to upgrade and improve as industry experience & familiarity with these pipe handling and racking systems increase.

SEPCo supports the MMS in mandating minimum automation systems for the rig floor, derrick and piperrack on all new builds and complete re-builds.

250.422(b) - Cementing Practices

The proposed language as written in 250.422(b) is appropriate. That is, making the operator responsible for assessing when it is safe to nipple down well control equipment. As a prudent operator, this assessment is made based on a knowledge of formation conditions encountered, presence of potential drilling hazards, actual well conditions while drilling, cementing and post cementing as well as past experience. We believe that our current practices are safe but do not lend to specific regulations. Hence, we believe that the proposed performance expectation is appropriate.

SEPCo is participating with the API/ISO Cementing Committee to address Best Cementing Practices with the MMS. Internally, Shell is using a cementing score card system to improve cementing success. The score card system is subjective and is based on Shell's research and experience. It is intended to focus on appropriate design and execution practices which will lead to successful cement jobs. As such, it does not lend itself well to a legislated rule. If the MMS is interested in learning more about this cement score carding system, please contact Phil Smith at (504) 728-4252.

250.465(a) - When must I submit sundry notices to the MMS?

New requirement is to submit MMS Form 124 within 72 hours after a verbal approval has been given. Requirement should specify 72 hrs starts at the onset of the next business day (i.e. MMS office is open). Rational is to cover verbal approvals granted on a Friday preceding a three or four day Federal holiday weekend.

SEPCo appreciates the opportunity to comment on the MMS' proposed Subpart "D" regulations. If you have any questions concerning these comments, please contact Phil Smith at (504) 728-4252.

Yours truly,



for: Peter K. Velez
Manager Regulatory Affairs
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